

## PPA/PSC 430: Public Policy Methods

Fall 1998

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This course provides an introduction to the study of public policy and the professional practice of policy analysis. We consider a number of fundamental questions: What are the rationales for collective interference in private affairs? What are the limitations to collective action? What are the generic instruments of public policy? How can we measure social costs and benefits? What are the appropriate roles for policy analysts in democratic societies? We also seek to improve our basic skills in analytical thinking, information gathering, and writing as we attempt to answer these questions.

I will base course grades on the following:

Four memorandum exercises and class participation (approximately 40%).

Policy Analysis project (approximately 30%):

A ten-week project on a randomly assigned topic. The project provides an opportunity to apply the concepts and craft skills introduced in the course.

Midterm examination on October 28 (approximately 30%):

A test to determine your mastery of the basic rationales for, and limits to, public policy.

I will consider presentation and punctuality in evaluating all assignments.

Most readings are taken from the following, which will be placed on reserve and are available for purchase in the bookstore:

David L. Weimer and Aidan R. Vining, *Policy Analysis: Concepts and Practice*, 2nd edition, (Englewood Cliffs, NJ: Prentice-Hall, 1992).

### Tentative Schedule

#### Introduction (Sept. 2 and 7)

We begin by considering two important questions that we will revisit throughout the course: What roles does policy analysis play in democratic societies? What roles should it play?

Reading: WV, Chapters 1 and 2

Assignment: Exercise 1 due in class on **September 7**.

### **Projects Assigned (Sept. 9)**

Projects randomly assigned and briefly discussed. We introduce the goals/alternatives matrix as general guide to structuring analysis.

A workshop on using the library and the Internet as sources for doing public policy research will be provided by Catherine Hansen, head of the government documents section of the university library, in three two-hour sessions. These sessions are an important part of the course. Please sign up for one of the sessions with Carolyn Whitfield before September 9.

### **Market Failures as Rationales for Collective Action (Sept. 14, 16, 21, and 23)**

Welfare economics specifies the assumptions under which market equilibria are Pareto efficient. Certain violations of these assumptions are commonly identified as market failures: public goods, externalities, natural monopolies, and information asymmetries. Market failures provide important rationales for collective interference with individual choices. Our goal is to understand these basic market failures for purposes of framing and modeling policy problems.

Reading: WV, Chapter 3

Congressional Budget Office, *Where Do We Go From Here? The FCC Auctions and the Future of Radio Spectrum Management* (Washington, D.C.: U.S. Government Printing Office, April 1997). Read Summary and Chapter 1. Available at [www.cbo.gov](http://www.cbo.gov)

### **Other Limitations to the Competitive Framework (Sept. 28)**

Not all violations of the assumptions of the competitive market can be as easily handled as the traditional market failures. We consider such violations as additional rationales for public policy based on the goal of increasing efficiency.

Reading: WV, Chapter 4

Assignment: Exercise 2 distributed

### **Goals Other Than Efficiency as Rationales for Public Policy (Sept. 30 and Oct. 7)**

Though efficiency is almost always one of the relevant goals in policy analysis, it is rarely the only one. It is useful to develop conceptual foundations for thinking about distributional and other goals that commonly arise in policy analysis.

Reading: WV, Chapter 5

### **Government Failure as Limitation and Rationale (Oct. 12 and 14)**

Just as markets fail in systematic ways, so too does collective action. Such generic government failures interfere with the effective correction of market failures and produce public policies that themselves are policy problems.

Reading: WV, Chapter 6

Assignment: Exercise 2 due on **Oct. 16**

### **Generic Policies** (Oct. 19 and 21)

Generic policies can serve as a source of proto-alternatives for dealing with specific policy problems. We consider one possible classification and relate its categories to various market and government failures.

Reading: WV, Chapter 7

### **Midterm Examination** (Oct. 28)

Test covering the concepts developed in the first half of the course.

### **Structuring Analysis** (Oct. 26 and Nov. 2 and 4)

An overview of the steps in the rationalist mode of policy analysis. We consider how to frame and model policy problems, select appropriate goals and criteria, specify policy alternatives, predict and value consequences, identify tradeoffs among alternatives, and effectively communicate recommendations.

Readings: WV, Chapters 8 and 11

Congressional Budget Office, *Where Do We Go From Here? The FCC Auctions and the Future of Radio Spectrum Management* (Washington, D.C.: U.S. Government Printing Office, April 1997). Read Chapter 4. Available at [www.cbo.gov](http://www.cbo.gov)

Congressional Budget Office, *Structuring the Active and Reserve Army for the 21<sup>st</sup> Century* (Washington, D.C.: U.S. Government Printing Office, December 1997). Read Summary. Available at [www.cbo.gov](http://www.cbo.gov)

Assignment: Exercise 3 given Nov. 2

### **More on Policy Design** (Nov. 9 and 11)

Reading: David L. Weimer, “The Current State of Design Craft: Borrowing, Tinkering, and

Problem Solving,” *Public Administration Review* 53:2 (1993), pp. 110-120.  
(Reserve)

### **Thinking Strategically: Adoption and Implementation** (Nov.18 and 23)

A realistic assessment of policy alternatives almost always requires consideration of the feasibility of their adoption and implementation. How can we make predictions about feasibility? How can we alter policy alternatives to improve their feasibility?

Reading: WV, Chapter 10

Assignment: Exercise 3 due **Nov. 18**

### **Cost-Benefit Analysis** (Nov. 16, 25 and 30)

Though cost-benefit analysis (CBA) is rarely appropriate as a decision rule, it provides useful protocols for valuing the efficiency impacts of policy alternatives. We review basic concepts underlying CBA such as willingness-to-pay, opportunity cost, discounting for time, and the treatment of risk. We also consider the conceptual and practical limitations to its application.

Readings: WV, Chapter 9

Anthony Boardman, et al., *Cost -Benefit Analysis: Concepts and Practice*  
(Englewood Cliffs, NJ: Prentice Hall, 1996), Chapter 2. (Reserve)

Congressional Budget Office, *Water Use Conflicts in the West: Implications for Reforming the Bureau of Reclamation’s Water Supply Policies* (Washington, D.C.: Congress of the United States, August 1997). Summary, Chapters 1 through 5. Available at [www.cbo.gov](http://www.cbo.gov)

### **Project Wrap-Up** (Dec. 2, 7 and 9 )

December 3 is set aside for revisiting topics of interest and discussing successful completion of projects.

On **December 7**, hand in **two** copies of your project report at the **beginning** of class. One copy goes to me and the other goes to a classmate as the basis for Exercise 4, a three- to five-page constructive critique of a project report. Please budget your time so that you will have your copies available at the beginning of class.

On **December 9**, hand in **two** copies of Exercise 4, one to me and the other to the report’s author. Also, be prepared to discuss the strengths and weaknesses of the report you reviewed.

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